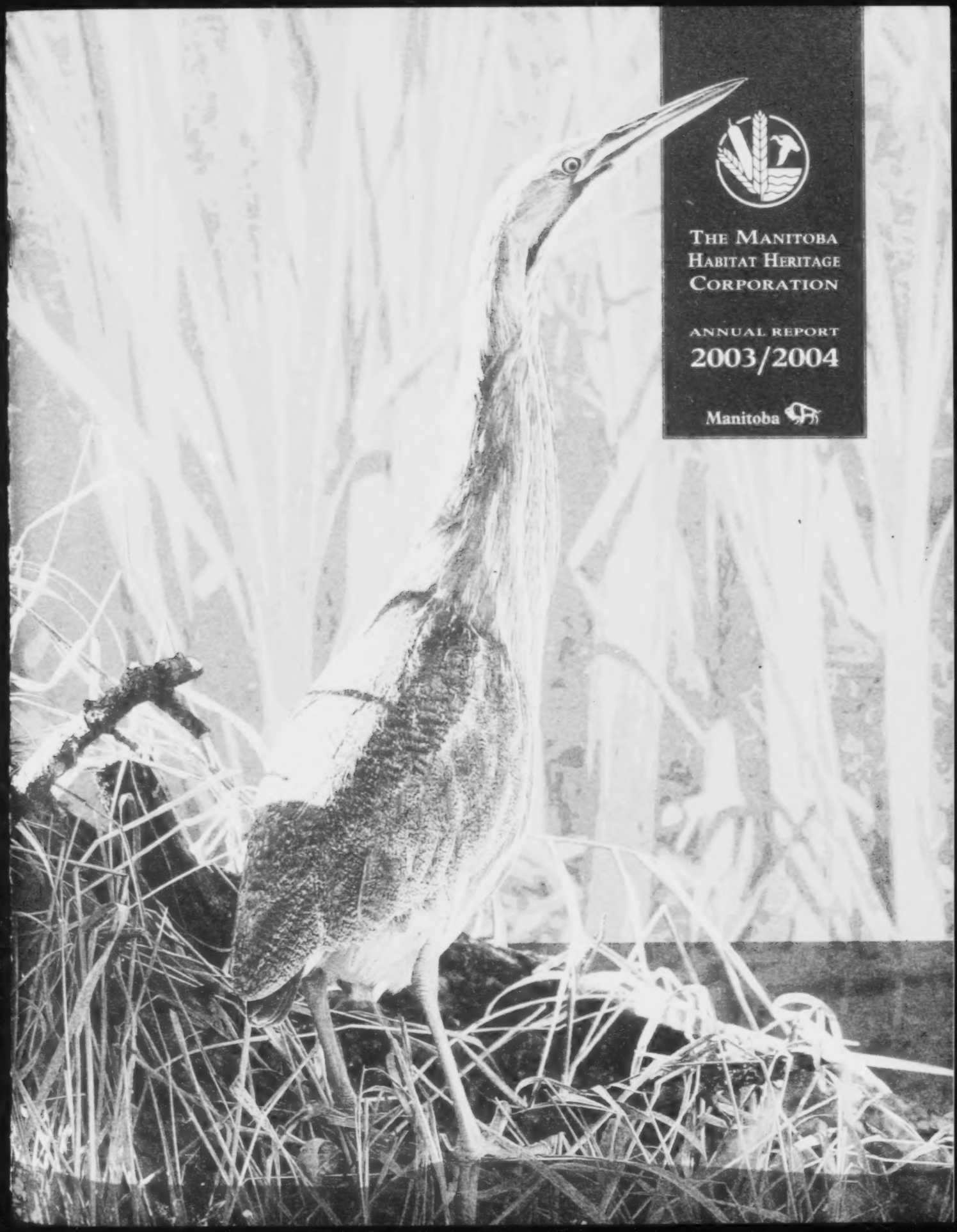

The Manitoba Habitat Heritage Corporation

Annual Report 2003/2004

Manitoba

Building Partnerships for Habitat Conservation

The Manitoba Habitat Heritage Corporation is a non-profit Crown Corporation established in 1986 under *The Manitoba Habitat Heritage Act* and is responsible to the Manitoba Minister of Water Stewardship.

Its mandate is to work in partnership with public and private agencies and organizations as well as individual landowners to conserve, restore, and enhance fish and wildlife habitat in Manitoba.

Cover photo: American Bittern

This page: Tundra Swans

105-00028/

The Honourable Steve Ashton
Minister of Water Stewardship
Legislative Building
Winnipeg, Manitoba

Dear Minister:

I am pleased to report that the Manitoba Habitat Heritage Corporation (MHHC) made significant progress on a number of program fronts in 2003/04.

Through the North American Waterfowl Management Plan, MHHC continues to focus on long-term protection of wetlands in the agricultural landscape. Given the importance of wetlands to watershed management and water quality, long-term protection remains a priority, especially in Agro Manitoba, where 40% to 70% of the original wetlands have been lost since the beginning of European settlement.

The Riparian Health Initiative, for which MHHC provides coordination and field delivery services, continues to take a multi-partner, multi-interest approach to the sustainable management of riparian and associated lands. Riparian areas, those rich zones of diverse vegetation along our stream banks and lake shores, make a significant contribution to the quality of surface waters and to biological diversity. New stewardship projects and education initiatives were undertaken and remain popular in spite of the tremendous impact that Bovine Somatotrophic Encephaly (BSE) is having on farmers.

Within the Habitat Stewardship Program for Species at Risk, MHHC provides administrative and management support to several projects and delivers conservation agreements to protect remnant mixed-grass prairie, riparian areas and specific habitats of importance to species of concern.

The Manitoba Agro Woodlot Program delivers services that support sustainable management practices on private woodlots and the emerging micro-forestry industry in Agro Manitoba. Landowners and micro-forestry businesses receive technical support through the development of woodlot management plans and skills training through a series of workshops and seminars.

MHHC's move to Manitoba's new Department of Water Stewardship is a validation of the importance of natural landscape features like wetlands, riparian areas and wooded lands to sustaining water quality. It helps to reinforce the importance of conservation of our "natural capital" to the protection of our water and, ultimately, to the well-being of all Manitobans. Our close working relationship with Manitoba Conservation remains, and we look forward to developing an even stronger presence in the Manitoba landscape because of our strong connections, current and historical, to both departments.

Yours truly,

David L. Wotton

David Wotton
Chairperson,
The Manitoba Habitat Heritage Corporation

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Overview

Mandate And Roles

The Manitoba Habitat Heritage Act of 1986 created The Manitoba Habitat Heritage Corporation (MHHC) with a mandate to conserve, restore and enhance fish and wildlife habitat. This is achieved through partnerships with private landowners, farm organizations, conservation groups, corporations and government agencies. Focusing on the agricultural region of Manitoba, MHHC promotes conservation practices that enhance wildlife habitat, encourage productive uses of the land and help to sustain farm family income.

MHHC conducts its activities under four major program areas:

North American Waterfowl Management Plan

MHHC coordinates implementation of the North American Waterfowl Management Plan (NAWMP) in Manitoba in partnership with other agencies and organizations. It also directly delivers NAWMP activities in partnership with Delta Waterfowl Foundation through the Potholes Plus Program.

Riparian Health Initiative

Riparian habitat, that rich band of vegetation along the water's edge, is rich in biodiversity and contributes to water quality. MHHC programs encourage landowners to adopt land use practices that protect this important habitat and benefit agricultural productivity, particularly for livestock.

Habitat Stewardship Program For Species At Risk

MHHC delivers a voluntary habitat securement program for species at risk, with a focus on mixed-grass prairie and riparian habitats, as well as specific habitats of importance for species of concern.

Woodlot Management

The Manitoba Agro Woodlot Program (MAWP) assists landowners and small-scale operators with training, woodlot management and agro-forestry planning services that help them to sustain or enhance woodland wildlife habitat and diversify their farm income.

Management, administrative and field support are also provided to the Critical Wildlife Habitat Program (CWHP) and, through it, to a number of projects funded through the federal Habitat Stewardship Program for Species at Risk.

MHHC Land Conservation Summary

Although much of the landscape has been developed for crop and livestock production, the agricultural region of Manitoba still contains important habitats for a wide array of wildlife. MHHC conserves habitat throughout the region primarily through cooperative agreements, leases and, in some cases, direct ownership. Regardless of the conservation approach, the outcome is habitat that benefits a wide array of plants, birds, land animals, fish and other aquatic animals.

Table 1 provides MHHC's land conservation summary, which includes purchased and donated lands, conservation agreements, leases and cooperative management agreements with landowners. It has more than 2,700 agreements with landowners, conservation agencies and other organizations. As of March 31, 2004, MHHC held cooperative agreements for 182,105 acres of habitat on 2,706 parcels of land.

Table 1: MHHC Land Conservation Summary to March 31, 2004

	# sites	# acres
Acquired and Donated Lands		
North American Waterfowl Management Plan	28	6,517
Critical Wildlife Habitat Program	22	4,217
[illegible] held by MHHC	50	10,734
Conservation Agreements		
Potholes Plus	86	11,702
Habitat Stewardship Program	50	8,267
Donated Agreements	18	1,796
Conservation agreements held by MHHC	154	21,765
Leased Lands (cumulative acreage)[2]		
North American Waterfowl Management Plan	204	19,127
Critical Wildlife Habitat Program	121	18,501
Leases held by MHHC	325	37,628
Cooperative Agreements		
North American Waterfowl Management Plan	685	8,146
Riparian Stewardship Program	202	53,768
Manitoba Agro Woodlot Program	1,292	50,054
Cooperative agreements held by MHHC	2,177	111,968
MHHC portfolio to March 31, 2004	**2,706**	**182,105**

[illegible] lands that are held by MHHC on behalf of CWHP partners

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[1] *Includes lands that are held by MHHC in trust on behalf of CWHP partners*
[2] *Includes current and lapsed leases*

Board of Directors

The 1986 Manitoba Habitat Heritage Act requires MHHC to be governed by a Board of Directors responsible to the Manitoba Minister of Water Stewardship.

In 2003/2004 the MHHC Board consisted of 11 members:

David Wotton*, Chairperson	Manitoba Conservation
John Whitaker (Vice Chair)*	Citizen Representative
Douglas Chekay*	Ducks Unlimited Canada
Murray Dubowits	Citizen Representative
Glenn Keilback	Manitoba Conservation Districts Association
Michael Kingdon	Keystone Agricultural Producers
Constance Menzies	Citizen Representative
Albert Nabe	Association of Manitoba Municipalities
Patrick Rakowski	Canadian Wildlife Service
Jonathan Scarth	Delta Waterfowl Foundation
Barry Todd	Manitoba Agriculture, Food and Rural Initiatives

Ex-officio Members

Lorne Colpitts	The Manitoba Habitat Heritage Corporation
Deanna Dixon	Prairie Habitat Joint Venture
Jack Dubois	Manitoba Conservation
Mike Moore	Nature Conservancy of Canada
Ray Rybuck	Manitoba Wildlife Federation
Jim Tokarchuk	Prairie Farm Rehabilitation Administration

*Executive Committee Member

The MHHC Board conducted three meetings in 2003/04 as well as one field tour of NAWMP Projects.

NOTE:
In 2003/04, The Province of Manitoba created a new department, Water Stewardship, and responsibility for MHHC was transferred to the Minister of Water Stewardship. Previously, MHHC was responsible to the Minister of Conservation.

North American Waterfowl Management Plan

The North American Waterfowl Management Plan (NAWMP) is a continental conservation partnership that operates in Canada, the United States and Mexico. In Manitoba, Plan activities are coordinated by MHHC in cooperation with several funding partners and public and private program delivery partners. MHHC also provides field delivery, communication, reporting and evaluation services.

With a focus on conserving and enhancing wetland and associated habitats, NAWMP activities in Manitoba emphasize the "Prairie Pothole" region of the southwest. NAWMP programs, built on sound biological principles and the best science available, are designed to influence large areas of the landscape, rather than concentrating on any one species or site. Potholes Plus is a fitting name for the NAWMP program that MHHC delivers in conjunction with the Delta Waterfowl Foundation.

The success of the NAWMP approach to habitat conservation has led other bird conservation programs to adopt its model for songbirds, shorebirds and other water birds. As the North American Bird Conservation Initiative (NABCI) emerges, it may ultimately provide an umbrella under which all of these programs can be coordinated.

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The NAWMP has been established by a formal written agreement between the governments of Canada, the United States and Mexico. In simple terms, its success can be summarized in three ways: 1) longevity – this is NAWMP's 17th year; 2) partnerships – thousands of partners across the continent; and 3) habitat gains – millions of acres have been conserved and influenced across North America.

The North American Great Plains region contains the continent's most important waterfowl habitats, providing nesting areas and migration stopover sites for much of the duck population. The prairies of southern Alberta, Saskatchewan and Manitoba are recognized as one of the highest priority regions for waterfowl conservation efforts. NAWMP activities are coordinated under the Prairie Habitat Joint Venture. Figure 1 shows the prairie pothole region of southwestern Manitoba, the main area of the province in which NAWMP activities are carried out.

Manitoba's accomplishments link to a broader, continental effort. Across North America NAWMP partners influence habitats used by waterfowl in all seasons. Breeding grounds, migration routes and wintering areas are all included in conservation strategies.

Success in Manitoba is demonstrated by the thousands of acres that have been influenced by NAWMP programs, some through long-term conservation agreements and others by conservation farming activities. This has been made possible by the investment of $93.3 million (Table 2) in conservation activities in this province, 85 per cent of which has been contributed by public and private sources from outside the province.

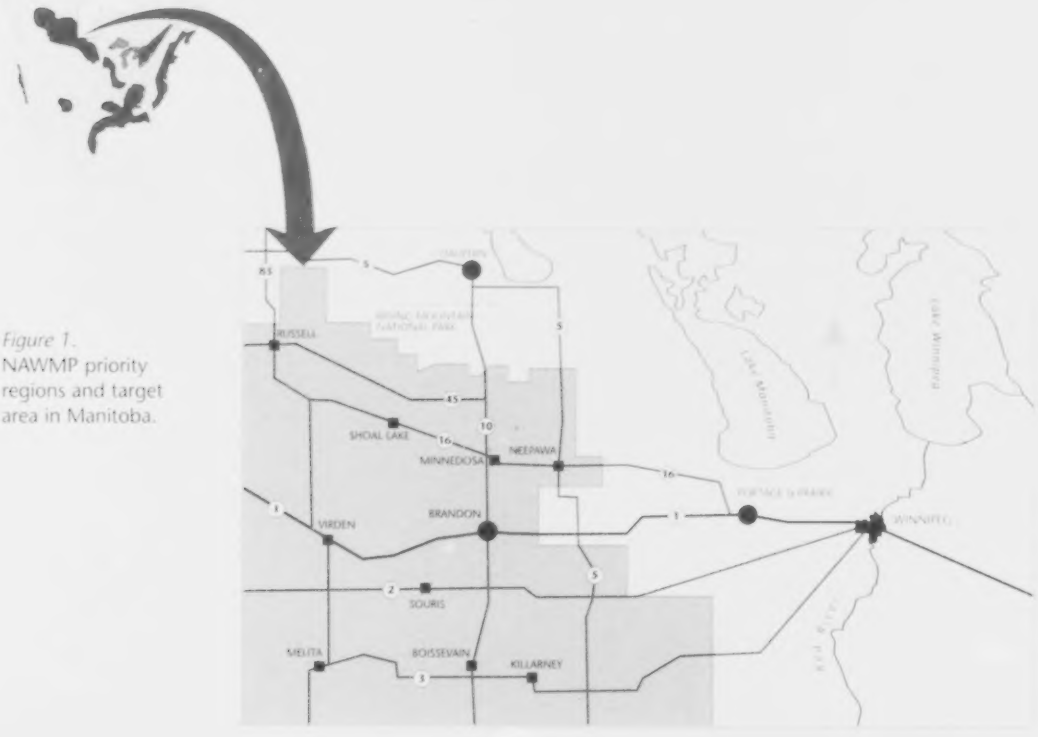

Figure 1.
NAWMP priority regions and target area in Manitoba.

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Priority habitats are almost entirely found on privately-owned farmland. NAWMP partners recognize this reality by offering voluntary conservation options that provide landowners with the potential for alternative sustainable income. The success of NAWMP in Manitoba continues to rest on positive relationships with individual landowners and community-based organizations, including local farm groups, Conservation Districts, wildlife associations and rural municipalities.

A broad-based partnership is at the core of NAWMP, reflecting agricultural, conservation and rural landscape interests. MHHC partners in Manitoba include:

Agriculture Canada (Prairie Farm Rehabilitation Administration),
Ducks Unlimited Canada,
Delta Waterfowl Foundation,
Environment Canada (Canadian Wildlife Service),
Manitoba Agriculture, Food and Rural Initiatives
Manitoba Conservation
Manitoba Water Stewardship
Keystone Agricultural Producers,
Association of Manitoba Municipalities,
Manitoba Cattle Producers Association,
Conservation Districts
Nature Conservancy of Canada.

A Manitoba NAWMP Overview

MHHC tracks land areas that are secured (see definition below) by NAWMP partners as well as those influenced (see definition below) by conservation land use activities. In 2003/04, NAWMP partners added another 27,980 acres of secured wildlife habitat lands, bringing the total to 289,387 acres. The total area of land influenced by all NAWMP activities rose to 1,287,347 acres.

Secured: Any habitat protected through an agreement of 10 years or more. May include lease, purchase or conservation agreement.

Influenced: Any land that is owned by individuals that have been encouraged through demonstration to use conservation land practices.

The NAWMP influences a broad range of habitat types in Manitoba. These include:

- Wetlands ranging from tiny prairie potholes to large staging marshes
- Wetlands, previously drained, that have been restored
- New wetlands created to mitigate for drained wetlands
- Upland habitats such as grasslands, shrublands and aspen parklands
- Cultivated marginal lands converted to permanent grass and forage cover
- Rangelands improved for both livestock and wildlife through managed grazing and livestock watering practices
- Haylands managed as productive wildlife habitat
- Conventionally tilled fields converted to zero-tillage and winter cereal croplands

These habitats provide breeding areas for waterfowl and support a great diversity of other bird species as well as mammals, reptiles and amphibians.

MHHC also delivers field services, communications, evaluation and planning activities under the NAWMP. These services were supported in 2003/04 with funding from three major sources:

- Manitoba Conservation
- Environment Canada (Canadian Wildlife Service)
- U.S. North American Wetlands Conservation Act (NAWCA), through the Delta Waterfowl Foundation

Financial and in-kind support was also received from a number of other partners.

Table 2: NAWMP Program Accomplishments Summary (Acres)

	Green Acres	DU Program - NAWMP	Nature Conservancy of Canada	Potholes Plus	HELP*	NAWMP Total
Secured 2003/04	442	20,218	3,410	3,910		27,980
Before 2003/04	35,567	188,868	10,580	15,557	10,835	261,407
Total Secured	**36,009**	**209,086**	**13,990**	**19,467**	**10,835**	**289,387**
Agricultural Demonstrations 2003/04		177,426				177,426
Before 2003/04	20,580	796,427		3,527		820,534
Total Demonstrations	**20,580**	**973,853**		**3,527**		**997,960**
Program Totals	**56,589**	**1,182,939**	**13,990**	**22,994**	**10,835**	**1,287,347**

** Habitat Enhancement Land Use Project*

Table 3: NAWMP Financial Contributions

Agency	1986 to March 31, 2004	Percentage
Manitoba Sources	**$13,805,968**	**14.8**
Other Canadian Sources		
Canadian Wildlife Service	$11,505,903	12.3
Wildlife Habitat Canada	885,300	0.9
Ducks Unlimited Canada	2,545,000	2.7
Total Other Canadian Sources	**$14,936,203**	**16.0**
Total Canadian Sources	**$28,742,171**	**30.8**
US Sources		
Delta Waterfowl Foundation	$3,858,047	4.1
Ducks Unlimited, Inc.	21,782,350	23.3
US Fish and Wildlife Service	28,052,497	30.1
US States	8,802,324	9.4
Nature Conservancy of Canada	2,102,100	2.3
Total US Sources	**$64,597,318**	**69.2**
Total Expenditures	**$93,339,489**	**100.0**

MHHC NAWMP Activities

Potholes Plus and Green Acres Programs

A number of NAWMP options for habitat conservation are delivered by MHHC to Manitoba landowners. For many years its activities were carried out through the Green Acres Program, but most of MHHC's NAWMP activities in the last five years have been delivered in partnership with the Delta Waterfowl Foundation (DWF) through the Potholes Plus Program. Options for landowners include conservation agreements (see sidebar), land donation, purchase and other land management activities.

Potholes Plus

Conservation Agreements: Conservation agreements (CAs) have been available since 1998 when the government of Manitoba proclaimed the Conservation Agreements Act. Conservation agreements enable landowners to voluntarily protect habitat on private lands. The land may be farmed as long as the natural values are protected. Like an easement, a conservation agreement is placed on the land title and remains in effect even with a transfer of ownership.

Under the Potholes Plus Program, MHHC holds all acquired CAs. A total of 20 CAs covering 3,910 acres were acquired in 2003/04, bringing the total to 86 CAs, totaling 11,702 acres, secured through Potholes Plus. Seven additional CAs were in various stage of processing at year end.

Conservation Agreement Baseline Inventory and Monitoring: MHHC continued to complete baseline inventories of secured CAs. A two-person field team conducted landowner contacts, data collection and

So, What is a Conservation Agreement Anyways?

This new conservation tool has been available in Manitoba since the Conservation Agreements Act was proclaimed in 1998 and MHHC has been making good use of it ever since. MHHC has completed 154 conservation agreements (CA), permanently protecting habitat on 21,765 acres of land. In 2003/04 MHHC increased its CA inventory by close to 7,000 acres.

CAs are easements that can be used to conserve habitat on private land over the long-term without the ownership having to change hands. With a CA in place, a landowner continues to own the land, control access, pay property taxes and farm as before. As well, a CA does not have to apply to an entire property, but only those natural areas – wetlands, woodlands, and grasslands - that are outlined on the CA. This flexibility ensures that productive agricultural land will continue to be farmed while natural areas can be conserved. Prior to CAs, long-term conservation of habitat was achieved mainly by land purchase.

An important feature of CAs is that they are registered on the land title and remain in effect even if the land changes hands. This ensures long-term conservation of natural areas in the agricultural landscape. To date all MHHC CAs have been perpetual.

Most MHHC CAs have been purchased for wetland and associated habitats with support coming from U.S. funding supplied to the Delta Waterfowl Foundation (MHHC's Potholes Plus Program Partner). MHHC has also received Canadian federal support from the Habitat Stewardship Program for Species at Risk for CAs on riparian and native grassland habitats. As well, thirteen landowners donated CAs and received a tax receipt for the value of the donation.

One Million CA Dollars, and Counting

Darren and Leanne Stanick didn't receive a million dollar payout, but they did receive the millionth dollar that MHHC has spent on purchased CAs in Manitoba since the option began in 1999.

While CAs may be purchased or donated, MHHC receives funding from the North American Wetlands Council through the Delta Waterfowl Foundation for Potholes Plus CA purchases. As well, the Government of Canada, through the Habitat Stewardship Program for Species at Risk supports purchases of habitats for species of concern. Since the beginning in 1999, available funding has increased in each succeeding year, to the point where the one-millionth CA dollar was spent by MHHC on a purchased CA in 2003/04. Those million dollars went directly to landowners.

How do landowners use this money? Generally it goes back into the farm operation, and has often supported farm diversification activities. For example, Bryan Bramley, from the Minnedosa area, developed a new grazing management system. Shaun Cory, who farms near Wawanesa, used his payment from habitats that rested on marginal farmland to help enhance the productivity of his better farmland.

However the money is spent, purchased CAs have provided landowners with working capital when they made the commitment to conserve habitat that has always been a part of their land base. Given the expansion of support for CAs, MHHC expects to spend the one-millionth dollar in each of the Potholes Plus and SARA HSP programs in 2004/05.

Conservation Agreement Decision a Good One

One of MHHC's first purchased CAs was completed in 2000 with Newdale area farmers Jim and Betty Fossum. The agreement protected wetlands and associated natural habitat on parts of their farm.

Four years later, when Jim Fossum was asked about this decision, he replied, "There is no question in our minds that we did the right thing, knowing that this parcel of land will stay the same for years to come."

After the CA was signed, very little changed on his property. "I could hunt, pasture, fence and graze this land. What more could I ask? Besides that, I got a nice cash injection," said Fossum.

Last year the Fossums retired and sold the land with the CA. According to Fossum, the sale went off without a hitch. "I don't believe it had any bearing on the value of the rest of the property," he said.

Gerald Forsyth, MHHC's Minnedosa field representative, arranged to meet with the new landowner and they went over the agreement in detail. Lessons from other jurisdictions with longer CA experience has taught MHHC staff that good relations must be established with subsequent CA landowners to ensure that there are no misunderstandings on misconceptions. It's all part of the ongoing monitoring and management requirements that come with being a CA holder.

Adapted from an article in the Minnedosa Tribune

completed reports on 16 projects by the end of the year. The inventory collects basic biological information and develops a Geographic Information Systems (GIS) reference for all habitat elements in a CA. This will be an ongoing activity for MHHC.

MHHC also completed a monitoring program of all CAs by a combination of ground and aerial inspections. This year four CA violations were noted, two of which were deemed to be minor and two of which were mitigated after negotiations with the landowners involved. Field staff also attempted to meet with every landowner that has a MHHC CA on their property.

Green Acres

Under the Green Acres program MHHC had previously acquired 28 parcels of land, totaling 6,517 acres, through purchase or donation. No lands were purchased, or received as donations in 2003/04. Of the 204 habitat leases (19,137 acres secured) that were signed in prior years, 19 leases remained active in 2003/04. With MHHC's emphasis on conservation agreements, no leases were signed this year.

In 2003/04 MHHC received five donated conservation agreements for private land habitat totaling 442 acres (see Madill CA donation story). These CAs cover a variety of wetland, woodland, riparian and other native habitats across the province. MHHC habitat donations to date include 18 CAs, securing 1,796 habitat acres and 11 donations of property, totaling 2,153 acres.

Land Management: MHHC's portfolio of acquired lands requires ongoing monitoring and management. In addition to site inspections, 25 parcels, totaling 5,800 acres, received some management treatment in 2003/04. As much as possible, that land management is conducted with the cooperation of neighbouring agricultural producers. Specific activities included:

- 660 acres of hay leases
- 2,443 acres of grazing management systems for grassland management purposes
- 40 acres of land where weed control was conducted
- 30 acres of permanent cover re-seeded

Given the severity of drought in 2003, MHHC made an additional 820 acres of its grasslands available to grazing or haying activities, a gesture that was needed and appreciated by a number of landowners adjacent to MHHC properties.

Waterfowl Nest Tunnel Program: MHHC has established and maintains close to 1,800 nesting tunnels across southern Manitoba. Waterfowl nesting success, which can be lower than 10% for ducks nesting on the ground, will reach as high as 90% for mallards that nest in tunnels. As well, the 7,200 acres of wetlands secured through cooperative agreements because of the nest tunnel program benefits over 100 other wildlife species.

Each tunnel is visited prior to the nesting season so the tunnels can be lined with new hay bedding and other routine maintenance can occur.

Special NAWMP Projects

Agricultural Policy Framework (APF): A new federal-provincial arrangement has been negotiated for agricultural policy across Canada over the next five years. MHHC staff participate in a number of federal-provincial committees that are developing agricultural environmental policies and programs for the province through the APF. Related to the APF is development of a delivery mechanism for environmental farm plans, which is led by a new organization, the Farm Stewardship Association of Manitoba. MHHC has board and ex officio positions with the organization.

Conservation Agreement Tax Analysis: The income tax consequences of selling or donating a conservation agreement can be complicated. MHHC is supporting CA delivery in Manitoba by continuing to update analyses of the tax implications through a contract with tax professionals.

Regional and National NAWMP Activities: As the NAWMP coordinating body in Manitoba, MHHC participates in a number of NAWMP committees and activities at the regional and national levels. MHHC staff participate in the Prairie Habitat Joint Venture Advisory Board and its Waterfowl Working Group and Land Use committees. At the national level, MHHC has a seat at the NABCI/NAWCC Council and chairs the North American Wetlands Conservation Act Funding Task Force. MHHC also participates in the NAWCA Proposal Writers Working Group.

NAWMP Communications

With additional funding available for purchased conservation agreements, MHHC focused more of its communications efforts on building CA awareness among landowners in priority delivery landscapes. One of the new activities undertaken was a series of four CA Open Houses held in two priority delivery areas. Print advertising, direct mail and area-specific news releases supported each Open House. A new CA information brochure and fact sheets were also produced. The general level of interest and resulting CAs exceeded expectations.

MHHC produced and distributed 14 news releases related to its NAWMP program that ran in a minimum of 32 publications. Most highlighted specific conservation agreement projects. Uptake of these articles in the rural and agricultural media continues to be high.

MHHC also hosted field tours of projects for its Board of Directors, program partners and funding agencies. Staff also made presentations at meetings and workshops, most of which targeted agricultural producers as well as other landscape influencers, such as rural municipal planners. MHHC staffed displays at two province-wide agricultural venues and a number of local events.

MHHC continued to partner with Manitoba Agriculture, Food and Rural Initiatives and The Manitoba Cattle Producers Association on a one-day seminar at Ag Days, the largest agricultural trade show in the province. The focus of this well-attended session is pasture and livestock management practices.

MHHC also continues to operate Local Liaison Committees from each of its four NAWMP field offices.

NAWMP Partner Activities

Ducks Unlimited, NAWMP Program. Ducks Unlimited (DU) delivers a range of NAWMP program options, including land lease and purchase, conservation agreements and a range of conservation farming options

including zero tillage, permanent forage cover establishment, managed grazing and fall-seeded crops. Of the latter, winter wheat cropping is showing great promise as an alternative crop that also provides tremendous benefits to ground-nesting waterfowl. DU has responded with initiatives designed to increase use of this cropping option by Manitoba farmers.

In 2003/04 a total of 20,218 acres were secured by long-term agreements and an additional 177,426 acres were influenced by conservation farming demonstration initiatives.

The Nature Conservancy of Canada (NCC): NCC has become a Manitoba NAWMP program delivery partner, focusing its efforts on wetland and associated habitats in the tall-grass prairie region of southeastern Manitoba and on aspen parkland habitats in western Manitoba. In 2003/04 it secured 3,410 acres (ten sites) of habitat with funding support from U.S. NAWMP sources.

Rural Family Leaves a Habitat Legacy

A tranquil marsh in the countryside north of Minnedosa is now a permanent legacy for a local family.

Ray and Joan Madill's reasons for donating a conservation agreement (CA) to MHHC can be found in their statement, captured on the project sign: "May this peaceful countryside and serene marsh always be abundant with all God's creatures, so as to be loved and enjoyed forever."

At a dedication ceremony marking the CA transfer to MHHC, Ray Madill stated, "Today is a very important and significant event for the Madill Family and hopefully will be just as important for our future generations."

Herb Goulden of MHHC said, "This community is richer for the legacy that Ray and Joan Madill are leaving." He also noted that Ray and Joan have put in countless hours and financial efforts to wildlife conservation over the years.

Conserving the habitat on their property, which they have owned for decades, was not a quick decision. According to Ray, "Shortly after we purchased this quarter section, I had a dream to protect and preserve this area as habitat for the many species of birds and animals that we see living here."

While the CA will ensure that the habitat is protected, the family retains their ownership rights, such as the right to control access. The agreement includes provisions for them to maintain a cabin and graze cattle on the pasture.

"This is a great natural area that will now remain for future generations," said Gerald Forsyth, the field representative for MHHC in Minnedosa. "The wetlands, woods and grasslands will be conserved."

Adapted from an article in the Minnedosa Tribune

Riparian Health Initiative

Riparian areas—stream banks and lake shores—are key habitat areas in Agro Manitoba. In addition to their contributions to biological diversity, the trees and vegetation growing in riparian areas help during high water stages by slowing down floodwaters and soaking up run-off. They also act as filters by trapping sediments and pollutants before they enter the water.

The Riparian Health Initiative involves a large network of agricultural industry and conservation organizations across Manitoba. It has helped to strengthen riparian stewardship programs for producers and improve coordination of other partner activities across Agro Manitoba. New coordinating structures have been established at the provincial and regional levels. Funding from the Manitoba Rural Adaptation Council (MRAC) and other partners has allowed MHHC to provide secretariat services to these coordination bodies and deliver stewardship programs across Agro Manitoba.

Program Overview

The Riparian Health Initiative (RHI) was launched in 2001 with the objectives of increasing producer involvement and enhancing collaborative approaches for riparian area management activities across Agro Manitoba. It evolved from the collective efforts of agricultural and conservation groups. They came together to improve coordination of programs and activities that support the sustainable use of riparian areas. Their collective efforts have helped to create a more efficient and dynamic network for stewardship, education, technology transfer, data collection and evaluation activities for riparian and associated lands.

As the RHI concept was being developed, a provincial task force recommended that, "The Manitoba Cattle Producers Association (MCPA) should take the lead in developing a strategic initiative for riparian management in Manitoba... through partnerships with groups such as MHHC, DU, Conservation Districts, PFRA, Manitoba Agriculture and Food and Manitoba Conservation." New federal funding, provided by Agriculture and Agri-Food Canada and delivered through the Manitoba Rural Adaptation Council (MRAC), allowed the partners to fulfill this recommendation by launching the RHI.

The Riparian Health Council (RHC) was created to promote coordinated programs and activities for riparian and associated lands in Agro Manitoba. Its membership includes producer groups, government agencies and non-government conservation organizations and is chaired by MCPA. Five Regional Working Groups, made up of various agency field delivery personnel and producers, function as a focal point for communication and coordination at the local level. They help improve the efficiency and effectiveness of stewardship activities, information and education programs for interested landowners and evaluation activities focusing on riparian issues and program effectiveness.

Three-year funding from MRAC (2001 – 2004), totaling $150,000, has allowed MHHC to retain a riparian program coordinator and provide secretariat support to the RHC and the Regional Working Groups.

MRAC also provided three-year funding of $450,000 for the Riparian Stewardship Program. Additional financial support for stewardship projects has been provided by Ducks Unlimited and seven Conservation Districts. The funding provides interested landowners with financial incentives to implement grazing practices that maintain riparian ecosystems and water quality as well as improve overall pasture productivity. A buffer strip option assists producers with establishment of permanent forage cover on cultivated lands along waterways. Landowners can receive a maximum contribution of $2,500 per project that must be matched by a minimum of 25% cash or in-kind contributions.

Stewardship program delivery is shared among field staff of MHHC, Manitoba Agriculture, Food and Rural Initiatives, PFRA and one Conservation District. From these organizations, 30 field personnel are available to deliver stewardship projects to producers.

Cooperative approaches, focusing on communication, extension and stewardship support, are the fundamental building blocks of the RHI. Complementary MRAC-supported evaluation activities delivered by PFRA, will ensure that land management practices that are being promoted are based on the best information available.

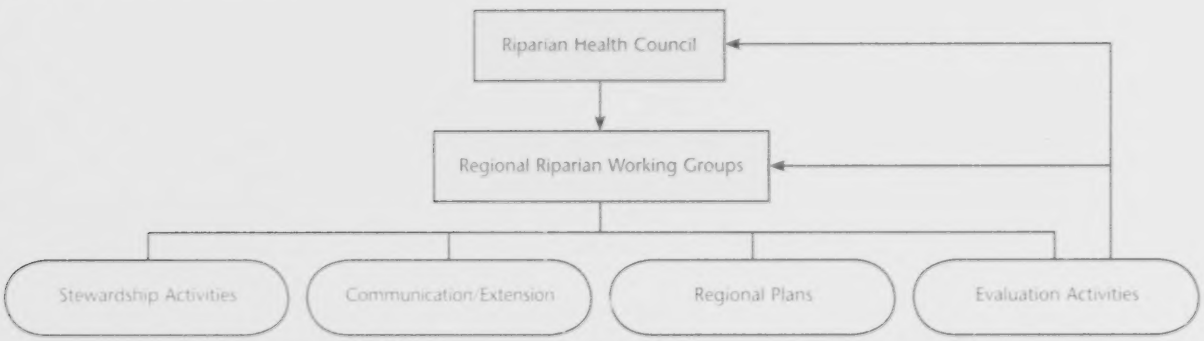
Coordination Activities

Two meetings and one field tour of stewardship projects were completed by the RHC in 2003/04. The RHC has helped to shape the overall direction of extension and stewardship programs and has become an important sounding board for new riparian initiatives.

A total of 10 Regional Working Group (RWG) meetings were held this year. RWG meetings have helped to coordinate and priorize delivery of riparian projects. They also provided forums for discussion of local riparian issues and a sounding board for the development of the Managing the Water's Edge extension program (see below). RWGs were also important to the development of a riparian area grazing guidelines document, which will continue into the coming year. Five field tours were held for RWG field delivery personnel and landowners.

RHC partners and the riparian program coordinator put much effort into the development of a Manitoba-based riparian area assessment system and trained professionals capable of delivering riparian management workshops to producers. This year, presentations were refined and Managing the Water's Edge (MWE) was launched (see accompanying story). A total of 17 presentations were made this year to 321 individuals, primarily to field delivery personnel with the intent of increasing the knowledge base and consistency of riparian messages that are being delivered by extension personnel to producers. With the experience that has been gained to date, MWE can become fully operational in the coming year.

Riparian Health Initiative



Riparian Health Council Participants

The Manitoba Cattle Producers Association (Chair)
Keystone Agricultural Producers
Manitoba Agriculture, Food and Rural Initiatives
Prairie Farm Rehabilitation Administration
Manitoba Conservation
Manitoba Conservation Districts
The Manitoba Habitat Heritage Corporation (Secretariat)
Manitoba Forage Council
Manitoba Department of Finance
Fisheries and Oceans Canada
Environment Canada
Ducks Unlimited Canada
Nature Conservancy of Canada
Manitoba Water Stewardship

(As of April/04)

Program partners also continued to develop a comprehensive grazing guidelines document for riparian and associated lands. The project has received input from a broad cross-section of landscape interests.

Communications activities helped to increase awareness of the RHI and its related activities. Details of those activities are discussed in the communications section.

Riparian Stewardship Program Activities

In 2003/04 a total of 48 riparian demonstration projects were completed, enhancing 62 miles of shoreline, 1,742 acres of riparian habitat and an additional 9,532 acres of adjacent uplands through improved grazing management or forage development. At year end an additional 89 projects were in various stages of development. They represent an additional 126 miles of shoreline, 4,452 acres of riparian habitat and 20,592 acres of adjacent uplands. Since the beginning of the Riparian Stewardship Program in July 1, 2001 a total of 198 projects have been completed or are in development, affecting 344 miles of shoreline, 7,922 acres of riparian habitat and 43,266 acres of adjacent uplands.

Most activity occurred under the grazing management option. Incentive funding helps landowners to establish fencing that improves grazing management on the whole pasture system and manages livestock access to the riparian zone. Many cooperators also add in off-site watering systems. The entire system produces more effective livestock grazing and watering while also adding to the health of riparian areas and adjacent waterways.

There is also a forage establishment option that supports the establishment of permanent forage buffer strips on cultivated land along waterways. These forage areas can be harvested and are also sometimes used as part of a grazing management system.

Back Row: Duane Davies (IMCD Board), Kevin Teneycke (MHHC).
Front Row: Ron Kostyshyn (IMCD Chair), Jason Tomski (IMCD Manager)

Conservation District Joins the Riparian Stewardship Program

The Intermountain Conservation District (IMCD) has become the seventh CD to enter into a partnership agreement with MHHC to support delivery of riparian stewardship projects in its region.

When signing the Agreement, Jason Tomski, IMCD manager, noted the importance of watershed management to all watershed residents: "When the upland reaches of a watershed are healthy, there are benefits to everyone, including the people who lie downstream.

Located along the escarpment of western Manitoba, and including tributaries that tumble off the Riding and Duck Mountains, IMCD is a big area with big water issues. Effective watershed management, including maintenance of healthy riparian areas, is a key part of the District's operations. Given the CD's situation, and a high level of interest expressed by landowners, it will become a priority area for Riparian Stewardship projects in the coming year.

According to Kevin Teneycke, MHHC field manager, "Watershed studies in the CD have identified a number of sites and potential cooperators where the RSP can make a useful contribution."

Leading by example, the CD's current chairperson, Ron Kostyshyn, has enrolled in the program and is establishing a new grazing and watering system, which includes conservation of the riparian zone along the Fork River.

Under the agreement, the CD will cost-share delivery of Riperian Stewardship Program projects. Staff from Manitoba Agriculture, Food and Rural Initiatives and PFRA will also assist.

Coordination Activities

Two meetings and one field tour of stewardship projects were completed by the RHC in 2003/04. The RHC has helped to shape the overall direction of extension and stewardship programs and has become an important sounding board for new riparian initiatives.

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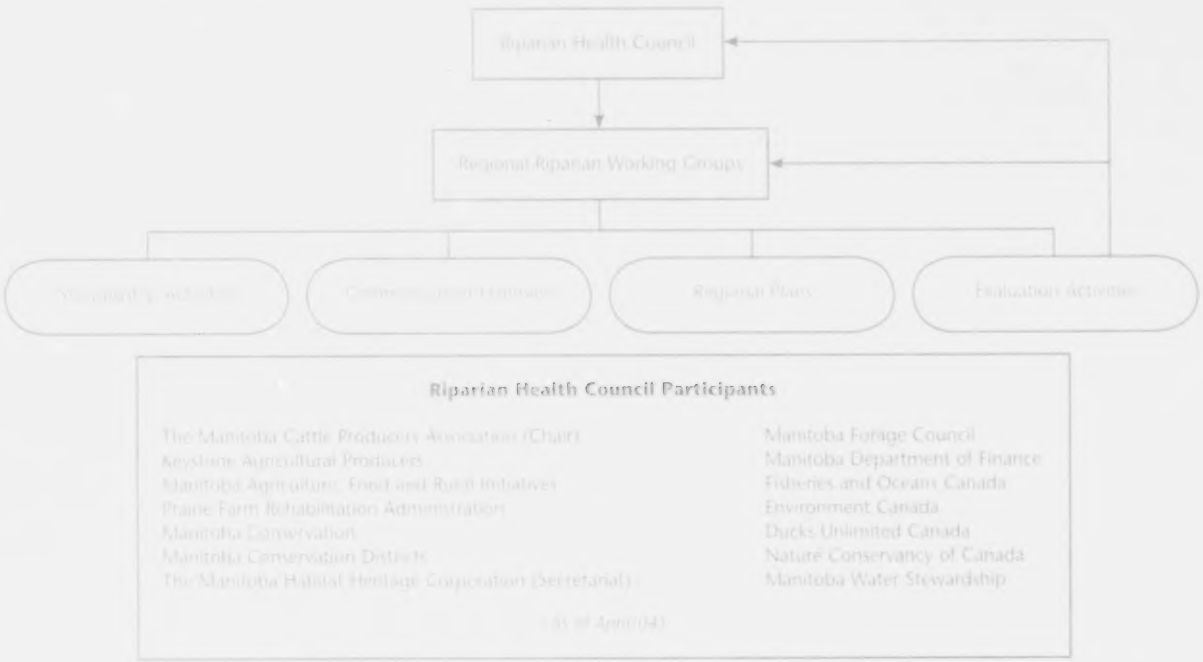
Riparian Health Initiative



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The network of delivery personnel increased again in 2003/04. These personnel come from Manitoba Agriculture, Food and Rural Initiatives, PFRA, Kelsey Conservation District and MHHC. This arrangement ensures that experienced field personnel are delivering projects in their local area. This fact, and increased visibility for the program, helped to offset the tremendous impact of the discovery of Bovine Somatotrophic Encephaly (BSE) on the Canadian livestock industry. Even with this unprecedented uncertainty, landowners continued to participate in the program. The number of completed projects is similar to the previous year but, not unexpectedly, landowners are now increasingly indicating that proposed projects will be postponed or cancelled.

Communications

Communications supporting issue awareness and program delivery continues to be a high priority activity for the RHI.

MHHC produced and distributed 14 news releases that stimulated a minimum of 28 separate articles, primarily in the rural and agricultural media. RSP cooperators and project profiles continue to be emphasized, but releases have also covered new partnership agreements and new program options like Managing the Water's Edge.

In addition to a staffed riparian display at five major agricultural events and one watershed conference, MHHC and partner staff attended displays at many Beef Week events and other seminars that target livestock producers. Twenty-four presentations were also made to producer groups, potential partner groups, and in support of a number of program objectives. Six field tours of riparian projects were also conducted. Audiences for the tours, presentations and displays totaled 12,000 individuals.

Riparian Stewardship Projects Continue, In Spite of BSE

As the impacts of Bovine Somatotrophic Encephaly (BSE) and lost markets dragged out in the cattle industry, many Riparian Stewardship Program partners expected that riparian projects would grind to a halt. Not so, as it turned out.

Melanie Dubois, MHHC's riparian program coordinator, noted that the number of projects completed in the last half of the year is similar to the same six month period that ended one year earlier, prior to BSE. "We were pleasantly surprised. It's an indication of the importance cooperators place on improving their grazing and watering practices," she said.

Because RSP projects will assist producers in making improvements to the entire pasture, and not just the riparian zone, a well-designed grazing and watering system can actually help producers pare operating costs and deal with larger herds.

Given the fact that Manitoba's cattle herd has grown by close to 10 per cent since BSE, new cooperators are often dealing with more animals. According to Kevin Teneycke, MHHC's field manager, "The RSP is helping some producers develop new pastures, using sustainable grazing and water management approaches." Overall, new project proposals, which were increasing prior to BSE, have declined somewhat, and a number of producers have had to postpone or cancel their plans.

MHHC and its RSP partners will continue to do what they can to assist livestock producers in these unprecedented times.

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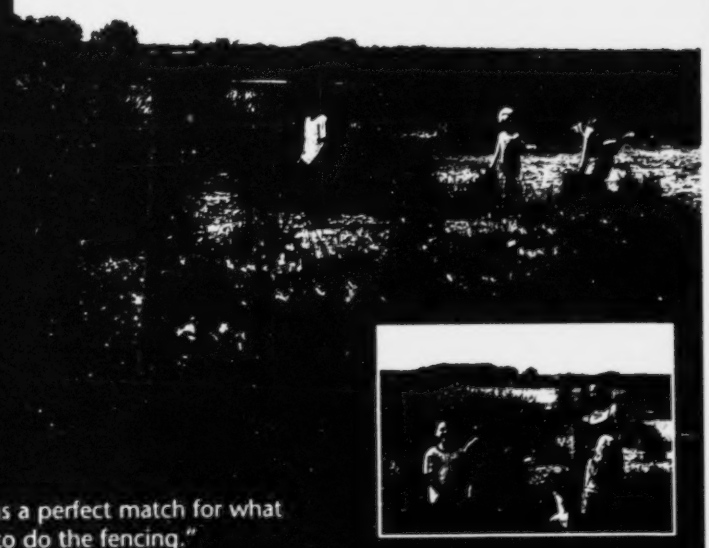
In Tough Times, a New Grazing System Can Help



Cattle producers are doing a great deal of belt-tightening, given twin hits of BSE and drought in 2003. Frank Smith has found ways to improve management on his 2,200 acre mixed farm near Baldur by partnering with conservation agencies.

"We were looking for a program that would help us to implement a rotational grazing system and improve our ability to manage access to water supplies," said Smith's daughter, Lana Grenier, who raises cattle with her father.

"The Manitoba Habitat Heritage Corporation program was a perfect match for what we wanted to do," Grenier said. "It gave us an incentive to do the fencing."

New cross fencing allows for a rotational grazing system and management of access to a 38-acre slough. A new off-site watering system provides clean water for the cattle. The Tiger Hills Conservation District (THCD) helped install the water lines across the pasture using a pipeline plough.

These improvements helped them develop a pasture management system with lower operating costs and better capability to handle drought.

"Lana got me into it," chuckled Smith. Grenier, who has an agriculture degree, returned to the farm about three years ago. When she first suggested the switch to rotational grazing, her father wasn't overly enthused but, after checking around, father and daughter determined that the Riparian Stewardship Program would help them make the transition. Funding for the RSP comes from Agriculture and Agri-Food Canada through the Manitoba Rural Adaptation Council.

The benefits to the family farm operation go beyond the bottom line. "All the wildlife stays longer now," said Grenier. "We see all the geese, sandhill cranes, and ducks. It's like your own private park."

Adapted from an article in the Manitoba Cooperator

Managing to Expand Riparian Education

Manitoba's new multi-agency riparian area extension initiative, Managing the Water's Edge, took big steps forward and became operational by year-end.

The idea behind MWE, patterned after the successful Cows & Fish program in Alberta, is to develop and coordinate expertise to deliver effective extension programs for riparian areas and associated water quality issues. MHHC is providing coordination and delivery support to the initiative.

Thanks to support from Manitoba Agriculture, Food and Rural Initiative's Covering New Ground, 26 extension agency staff from seven agriculture, conservation and producer organizations received additional ecological and workshop delivery training. Much of that effort was put to good use by year-end, with 17 workshops being delivered to 321 producers and extension agency personnel.

According to Melanie Dubois, MHHC riparian program coordinator, one of the key precepts has been to develop a "team" approach that brings divergent interests, organizations and expertise to the initiative. "The MWE Team is finding better, more efficient ways to deliver a common message to achieve a common goal: healthy riparian areas," said Dubois.

Habitat Stewardship Program For Species At Risk

One initiative associated with Canada's new legislation for Species at Risk is a fund to support stewardship projects for threatened and endangered wildlife and plant species. This is the fourth year that the Habitat Stewardship Program (HSP) has been available for Manitoba habitat projects. MHHC directly delivers HSP conservation activities and administers HSP funds on behalf of other delivery organizations.

Introduction

The federal Habitat Stewardship Program (HSP) was created as the new Species at Risk Act (SARA) was being developed. Involving the federal Departments of Environment, Parks and Fisheries and Oceans, the HSP's objective is to support voluntary, stewardship-based approaches to protect habitat for species at risk. The emphasis is on activities that will conserve or enhance habitat for species identified as either being endangered, threatened or of special concern. In Manitoba much of the effort is focused in the more developed regions, where habitat loss has been the most significant.

MHHC Projects

MHHC's role in HSP is focused on long-term protection of habitat types in Agro Manitoba required by species at risk. The primary activity is habitat conservation through perpetual conservation agreements (CAs) that are purchased from cooperating landowners. All HSP CA lands must be associated with species of concern identified by the Committee On the Status of Endangered Wildlife In Canada (COSEWIC). Priority habitats have been established:

1) Native mixed-grass prairie which, as a native habitat, is reduced to remnant stands in southwestern Manitoba and is important for a suite of native plants and declining grassland birds, including: buffalograss, smooth goosefoot, small white lady's-slipper, northern prairie skink, loggerhead shrike and Sprague's pipit.
2) Riparian habitats in the Assiniboine River basin, where the following aquatic species of concern have been identified: carmine shiner, bigmouth buffalo and silver chub and chestnut lamprey.
3) Habitats for specific plant and animal species that have been identified as being at risk. Examples include: western spiderwort, hairy prairie-clover, red-headed woodpecker and yellow rail.

In 2003/04 15 conservation agreements were completed on 2,886 acres of land under the HSP. Those included five CAs on 1,597 acres of mixed grass prairie, eight CAs on 839 acres of riparian habitats and two CAs that were secured on 450 acres to protect species dependant on other habitats. At year-end, an additional nine CAs, representing 2,323 acres, were in process. A total of 50 CAs, totaling 8,267 acres, have been completed since MHHC began working through the HSP program.

Other HSP Activities

MHHC assists other Manitoba partners, especially Manitoba Conservation, by managing HSP agreements and administering the employment contracts of 12 term and seasonal employees that are supervised primarily by Manitoba Conservation staff. Projects that are being assisted include: mixed-grass prairie grazing project; mixed-grass prairie inventory; species at risk inventory; northern prairie skink inventory; northern brook lamprey project; and woodland caribou habitat stewardship.

Nature's Paradise Protected

A love for native grassland led to the conservation of a large tract of native prairie near Alexander. "Its nature's paradise," said its owner, Roger Mawer.

"Preserving native prairie is a common sense decision," he said. "The idea was to try and conserve something that needed conserving."

Mawer, and his wife Anne entered into a conservation agreement with MHHC to preserve about 600 acres of native mixed-grass prairie. Funding from the Habitat Stewardship Program for Species at Risk supported this purchased CA.

Their family farm, Spring Valley Limousins, includes cultivated land, hayland and pasture as well as 200 purebred limousin cattle. The native prairie is an important source of forage. With the CA, Mawer retains the right to pasture his cattle but the land can never be broken. He will continue to use the land as he has in the past.

According to Mawer, it makes good sense to conserve remaining pieces of prairie like his. "We've had a love for the natural grassland," he said. "In summer, it is alive with wildflowers and it attracts a wide variety of birds and wildlife." Recently he saw a curlew and ferruginous hawks are common (both are prairie bird species of special concern.).

Mawer gave the idea plenty of thought because the land is precious to their family. The family roots on the land go back 145 years. "I like the conservation agreement idea because I don't have to give up ownership," he said. "And, when the time comes, I can sell it with that CA on it."

He also recommends this program to others. "I've already had it happen," he said. "I said go for it, by all means look it over. I think you'll find out it's exactly what you're looking for, it's a way to still own the land and yet protect it and conserve it. Compared to other programs it's light years ahead."

Adapted from an article in the Manitoba Cooperator

Left to Right: Kevin Teneycke (MHHC), Millie Reid (BNS), Chris Malcom (Douglas Marsh IBA), Dave Clayton (Douglas Marsh IBA).

Secretive Bird in the CA Spotlight

A Conservation agreement (CA) in Douglas Marsh, east of Brandon, is protecting important habitat for one of North America's most elusive birds. The rare yellow rail is on many birdwatchers' top-ten list.

A partnership between the Douglas Marsh Important Bird Area committee (IBA), the Brandon Naturalists Society (BNS), MHHC and the Federal Habitat Stewardship Program for Species At Risk made this CA a reality. MHHC holds the CA on 362 acres of the Marsh owned by Edna Wells.

"It is a significant achievement when valuable habitat like this is permanently protected," said David Clayton, a member of the IBA and BNS. "Very few yellow rails exist throughout North America and the Douglas Marsh may be one of their more important nesting areas."

According to Kevin Teneycke, field manager for MHHC, "Douglas Marsh is recognized internationally as a key habitat for yellow rail and other species. The CA will protect some of that habitat in perpetuity."

Very little is known about this reclusive bird, which is listed as a species of concern in Canada because its population is declining. It is very sensitive to disruption from human activity or natural events.

Douglas Marsh is believed to have the largest concentration of breeding yellow rails in southern Manitoba and possibly the entire southern Prairies. In fact, nearly 12 percent of the world population is thought to nest here.

"A lot of the local birders go out after sunset to listen for their calls, " said Clayton, who noted that the rails also attract bird tours from across the continent. Trampling by bird watchers is one of the threats, so a nature trail and interpretive signs have been developed to minimize damage by visitors.

Adapted from an article in the Carberry News Express

Since 1992 the Manitoba Agro Woodlot Program has been delivering private land forestry services to landowners interested in sustainable woodlot management as a means of diversifying farm income. The Program also delivers training and other services that help small-scale, local forestry contractors to enhance their skills and increase their understanding of their role in forest stewardship. The Woodlot Program supports market development by facilitating networking among landowners, forestry contractors and wood buyers.

Thanks to the ongoing efforts of the Manitoba Agro Woodlot Program (MAWP) and its partners, landowners in Manitoba are recognizing that their woodlots can be a source of new farm income and many are tapping into that potential. To support those landowners, MAWP provides training and woodlot management services from offices in Brandon, Killarney and Minnedosa. Staff provide woodlot inventory and assessment services, develop management plans, provide tree-planting support and deliver hands-on skills training workshops. The emphasis is on small-scale harvesting as a means of rejuvenating wooded stands and enhancing diverse wildlife habitat.

Woodlot Management

Woodlot management plans help landowners harvest and renew their woodlots, maintain a diverse forest for wildlife and earn income. In 2003/04, Woodlot Program staff completed 50 individual assessments for 6,052 acres of wooded lands. Added to previous years, this brings the total number of completed woodlot management plans to 434 on 44,825 acres. While some plans simply help woodlot owners gain a better understanding of their resources and management options, most are registered woodlot management plans that include a detailed resource inventory and management options and recommendations.

Woodlot Program staff also provided 11 operating plans (supporting woodlot harvest by marking trees and laying out skid trails) and provided technical assistance with 10 harvest projects. Since inception, the Woodlot Program has provided 73 operating plans on 2,671 acres and 50 harvest projects where 6,312 cords were harvested.

Although many landowners are primarily interested in supplying local sawmill operators, many others are realizing the benefits of producing value-added end products like hardwood flooring, paneling, furniture pieces and cabinets. Sawyers currently milling hardwoods have indicated that their customers are looking for a wide range of lumber grades. Woodworkers from across the prairies are also showing greater interest in buying Manitoba lumber, especially high-grade bur oak for a number of specialty producers.

Tree Planting

MAWP staff continued to assist individual landowners and communities in their tree planting projects. Support ranged from providing advice on funding proposals to offering technical support on species selection and site design. In the past year, MAWP staff organized 40 tree planting projects totaling 25,525 trees. Since 1992,MAWP has planted 1,060,819 trees and shrubs on 816 landowner projects and 66,613 trees on 139 community projects for a grand total of 1,127,432 trees on 955 projects.

Tree-planting efforts have recently been focused on agro-forestry projects, which combine tree-planting with agricultural production systems. Categories of plantings are discussed below:

Silvapasture and living barns: Silvapasture systems are designed primarily for the benefit of livestock. When trees are fenced off from livestock and tended, these multi-row plantations provide livestock with shelter from extremes of heat and cold. Landowners benefit from higher weight gains and healthier herds and they ultimately have a source of merchantable timber.

Silvacycling: Tree and forage plantings that facilitate nutrient capture from manure applications. These plantings are often in conjunction with intensive livestock operations.

Bioengineering and streambank restoration: Willow post or other hardwood cuttings can be combined with rip-rap to stabilize degraded riverbanks and reduce flood-related impacts. Three to six foot long cuttings are installed directly into the streambank to stabilize the ground as they develop root systems.

Alley cropping and snow management: Rows of fast-growing trees, such as hybrid poplar, are planted with enough space between rows for growing crops. Hence the name alley cropping. Crop yields are higher because of the more moderate microclimate created by the trees. Landowners can eventually harvest the trees; in the meantime, the shelterbelts create wildlife habitat for birds and other animals. Snow management is of particular concern to the hog industry.

MHHC continued to assist Manitoba's hog industry in the design of multi purpose tree systems. While

"Tell Me What You Want and I'll Cut It For You"

As the small-scale woodlot industry expands across rural Manitoba, buyers and sellers are learning that locally-milled lumber can meet or exceed the quality of imported products and, more importantly, it can be made to order.

Phil Bartsch, an Austin area sawyer, has found an excellent way to market his local-lumber business: provide customers with exactly what they need.

With harvested logs from his or his neighbours' woodlots on site, Bartsch waits for an order before starting to mill. That way, the customer gets the dimensions he needs. This is particularly useful for special orders, like flume boards for potato sheds. Each producer wants a different thickness and Bartsch can meet each buyer's specifications. Just to round out the service, he also has an inventory of cut lumber on hand.

Matt Conrod, a woodlot forester with the Woodlot Program noted that there is a growing market for local lumber. "Bartsch has good woodlot use ideas and is always looking to the future. He's already looking at getting into specialty, value-added products like hardwood flooring."

As a woodlot owner, Bartsch's support from the Woodlot Program started with an inventory and development of a management plan. Woodlot Program workshops have also assisted many budding operations with production and marketing skills development.

Speaking of the Woodlot Program, Bartsch said, "They provided me with sound advice that I was able to put to good use."

Adapted from an article in the Killarney Guide

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Adapted from an article in the Killarney Guide

Woodlot Management, One (Safe) Tree at a Time

Once a landowner decides to take action on a woodlot plan, one of the first concerns is how to harvest trees safely and without doing damage to the stand. Thanks to the Agro Woodlot Program, Manitoba woodlot operators and loggers now have access to a homegrown, certified chainsaw instructor.

According to Shane Tornblom, Woodlot Program Manager, safe and efficient harvesting always has been a high priority for the Program. "When we saw how people were harvesting or falling trees, we realized that there was a real need for chainsaw training," said Tornblom. "Not only were chainsaw operators risking their lives, they were reducing the value of logs and damaging the bush."

From the beginning, the Woodlot Program's suite of training initiatives included chainsaw training. Although the Woodlot Program initially trained its staff to become certified instructors, the long-term goal always was to develop a core of homegrown Manitoba talent who could train other operators. Skilled operators maximize income to landowners and can make the instant decisions that minimize damage to surrounding trees and understory vegetation.

When Daryl Neustater was considering options that built upon his skills as a certified arborist, he expanded into the micro-forestry business around his home community of Erickson. As he developed his logging and custom saw milling business, Woodlot staff soon realized that Daryl's combination of chainsaw skills and interest in low-impact logging were a perfect complement to the Agro Woodlot Program's training needs.

When Tornblom realized that Daryl was interested in taking on the challenge of teaching the art and science of safe chainsaw use, an agreement was struck to assist him with travel to Ontario to become a certified chainsaw instructor. In exchange, he agreed to deliver workshops over the winter of 2003/04. "Daryl did a great job. Not only do we have a Manitoba instructor who we can contract to deliver workshops, but Daryl has another way to diversify his income," said Tornblom.

the initial goal of most operations is to meet conditional land use permit requirements for visual barriers, Woodlot Program staff design tree systems that can achieve much more. A typical system uses a shrub "trip" line along the perimeter to slow winter surface winds and allow snow to settle out in the widely spaced interior tree rows. Tree/shrub row spacing and end of the row "gates" or gaps are designed to accommodate harvesting equipment. In addition to providing visual barriers, MHHC's snow management systems reduce snow removal costs, while enhancing operational efficiency and increasing crop production from enhanced soil moisture.

Training Programs

MHHC continued to deliver a series of training workshops to support woodlot management and the emerging micro-forestry industry.

Six micro-forestry workshops were attended by 85 people. Topics vary with the audience, but can include chainsaw operation and maintenance, bandsaw mill alignment, circular saw operation and maintenance, hardwood lumber grading, kiln drying, harvest strategies, square timber building, wood turning and other topics.

The link between workshops and expansion of the micro-forestry industry in Agro Manitoba was demonstrated at a recent kiln-drying workshop. Three participants subsequently expanded their operations to include kilns, which will allow them to pursue additional, value-added opportunities.

Two additional bioengineering activities were held, one with Manitoba Hydro, to assist with riverbank remediation efforts and one with the La Salle Redboine Conservation District, to assist with a project to reduce soil erosion and to re-establish wooded cover on stream banks.

Communications

Woodlot Program communications focused on directly supporting program delivery and promoting sound woodlot harvesting practices. A total of 14 articles were developed, which appeared a minimum of 22 times. In addition to the development of news releases for general distribution, a series of five woodlot management articles was prepared for one provincial agricultural newspaper. It covered topics ranging from woodlot plan development to harvest techniques and selecting a contractor. The Woodlot Program was also featured in two additional radio interviews.

Woodlot Program staff continued to attend a wide array of meetings and events and staffed program displays at rural trade shows. Many program presentations were made at rural and industry-related meetings, seminars and workshops.

The Critical Wildlife Habitat Program (CWHP) goal is to identify, preserve and manage remaining critical habitats, especially native grassland habitats of unique, rare and endangered species. Manitoba Conservation, MHHC and other agencies work together under the CWHP umbrella on a project-specific basis. MHHC holds a number of acquired habitat lands in trust on behalf of CWHP partners.

Mixed-Grass Prairie Projects

With over 75% of the original prairie converted to other uses since the beginning of European settlement, inventories and grazing management demonstration projects continued as priorities on remaining native prairie sites in the mixed-grass prairie region in southwestern Manitoba.

In 2003/04 mixed-grass prairie habitats in the Rural Municipalities of Archie, Miniota, Wallace and Woodworth were assessed. A total of 9,264 acres were inventoried and rated as to the quality of the remaining prairie. This work is helping to target priority sites for future prairie conservation activities. Since inventories began, a total of 1,695 sites have been assessed.

The activities of the ongoing Mixed-Grass Prairie Demonstration Project included monitoring of livestock weight gains and grassland bird responses to the twice-over rotational grazing system, tours, and workshops. Cost-shared incentives were provided to six landowners to set up the twice-over system on 2,272 acres of their own lands. A total of 14 demonstration projects, affecting 4,700 acres of native range, are now in operation.

Additional funding for both projects was provided by Manitoba Conservation and Environment Canada's Habitat Stewardship Program for Species at Risk (HSP).

Urban Habitat Stewardship Project

The Naturescape sub-committee of the Capital Region Habitat Steering Committee, comprised of representatives from Manitoba Conservation, Manitoba Naturalist's Society, the City of Winnipeg, Environment Canada and a local landscape architect, co-ordinated production of the Manitoba *Naturescape* document. The book includes an information package on native species and project ideas to assist the transformation of small plots, including backyards, into habitat. It is targeted for printing in the fall of 2004.

Tall-Grass Prairie Preserve

MHHC continued to be a part of the Tall-Grass Prairie Preserve Management Committee along with Manitoba Conservation, Manitoba Naturalists Society, Environment Canada and Nature Conservancy of Canada. Activities at the Preserve were supported by Environment Canada HSP, Nature Conservancy of Canada, Manitoba Conservation and the Manitoba Naturalists Society.

Monitoring of vegetation change, rare orchids, insects and songbirds as well as prairie-enhancing management prescriptions continued to be key activities on Preserve lands. In 2003/04 counts of flowering western prairie fringed orchids (25,530 flowers) were the highest since the beginning of monitoring. As well, a purple orchid similar to the western prairie fringed orchid was found for the first time and is currently under further investigation to identify the species. Manitoba Conservation provided a *Green Team* staff person to the Preserve to assist with field activities.

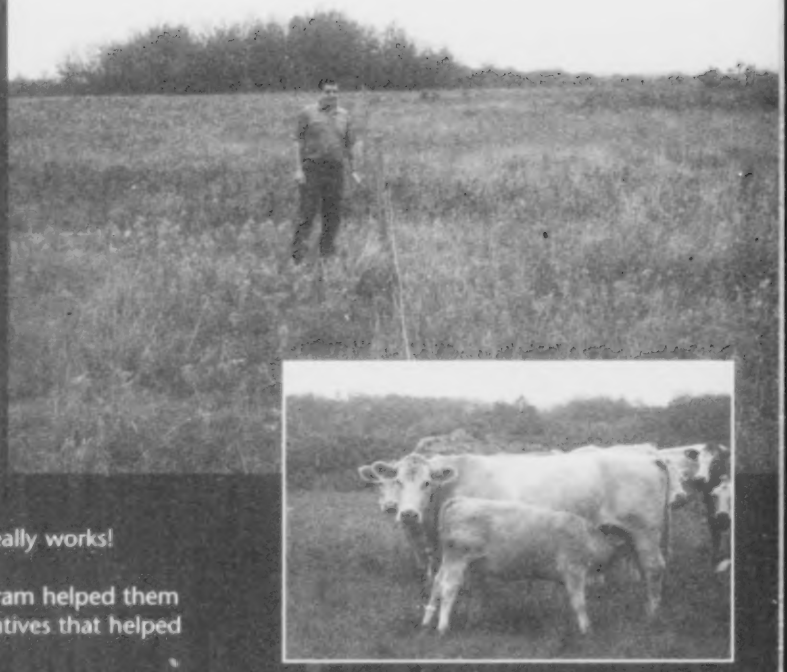
Grazing demonstration sites on tall-grass prairie were closely monitored because of concerns about invasive species, such as red top grass, and potential impacts on

the small white lady's slippers. Inventory sampling and vegetation mapping were also completed on 480 acres of land acquired by the Nature Conservancy of Canada.

The annual *Prairie Day* was again successful in 2003, thanks largely to the work of a designated Prairie Day coordinator. It was well attended by local citizens and visitors from outside the area. Field staff also participated in three local parades to increase local awareness of the Preserve and tall-grass prairie. An education program was delivered to nine schools in 2003.

Twice-Over Grazing System Gets Second Look From This Family

When the Boulangers decided that it was time to change the management of their native pasture, they opted for the twice-over grazing system. Now they find their cattle are easier to manage and grass production has increased.



Gaston Boulanger and his wife Nicole operate a family farm at Grande Clairiere. This is really a family operation with two of their sons, Marc and Daniel, living nearby and part of the operation. Between them they have about 125 commercial cow/calf pairs, a backgrounding operation and 400-acres of cereal crop.

"I really believe in this system," said Boulanger. "It really works!

The mixed-grass prairie grazing demonstration program helped them make the transition, providing information and incentives that helped with the need for additional fencing.

According to Curtis Hullick, the demonstration program coordinator, the experiences of cooperators in the program have been positive. "After more than five years of monitoring projects, we have learned that the system can improve pastures, improve wildlife habitat, and increase cattle weight gains," said Hullick. While this is the first year for the Boulangers, other producers with more years of experience are finding their calves have recorded better weight gains, with some calves consistently gaining three or more pounds per day.

"With the twice-over system, producers can expect to see increased grass density, calf weight gain and eventually an increase in stocking rates," said Hullick. The system's name is derived from the two passes that the cattle make over the pasture during a season of grazing. During the first pass, cattle nip each shoot of grass and this stimulates the plant to send off tillers. More tillers mean more grass. The second pass over the pasture harvests some of that grass.

"It's just easier to manage the cattle," said Gaston Boulanger. "We're growing more grass and working with nature, not against it."

Adapted from an article in the Manitoba Cooperator.

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Adapted from an article in the Manitoba Cooperator.

Manitoba Habitat Heritage Corporation Partners:

North American Waterfowl Management Plan

Agriculture and Agri-Food Canada (Prairie Farm Rehabilitation Administration)
Association of Manitoba Municipalities
Ducks Unlimited Canada
Environment Canada-Canadian Wildlife Service
Manitoba Agriculture, Food and Rural Initiatives
Manitoba Conservation
Delta Waterfowl Foundation
Keystone Agricultural Producers
Manitoba Cattle Producers Association
Manitoba Conservation Districts
Manitoba Water Stewardship
Nature Conservancy of Canada

Manitoba Agro Woodlot Program

Manitoba Conservation
Agriculture and Agri-Food Canada (PFRA)
Manitoba Conservation Districts
[illegible] and farm conservation organizations
[illegible] Association of Manitoba
Manitoba Forestry Association
[illegible]

Riparian Health Initiative

The Manitoba Cattle Producers Association
Keystone Agricultural Producers
Manitoba Agriculture, Food and Rural Initiatives
Agriculture and Agri-Food Canada (Prairie Farm Rehabilitation Administration)
Manitoba Water Stewardship
Manitoba Conservation
Manitoba Conservation Districts Association
Manitoba Forage Council
Manitoba Department of Finance
Fisheries and Oceans Canada
Environment Canada
Ducks Unlimited Canada
Nature Conservancy of Canada

Critical Wildlife Habitat Program

Manitoba Conservation
Manitoba Naturalists Society
Nature Conservancy of Canada
Wildlife Habitat Canada
World Wildlife Fund
Environment Canada – Canadian [illegible] Service

Manitoba Habitat Heritage Corporation Offices

Field Offices:

Killarney	203 South Railway St. E Box 1779 Killarney, MB R0K 1G0 (204) 523-5522
Minnedosa	30 Main Street Box 1044 Minnedosa, MB R0J 1E0 (204) 867-6032
Reston	Hwy #2 Box 189 Reston, MB R0M 1X0 (204) 877-3162
Shoal Lake	306 Elm Street Box 28 Shoal Lake, MB R0J 1Z0 (204) 759-4220
Brandon	545 Conservation Drive Brandon, MB R7A 7L8 (204) 729-3501
WINNIPEG OFFICE:	200-1555 St. James Street, R3H 1B5 Phone: (204) 784-4350 Fax: (204) 784-4359 e-mail: mhhc@mhhc.mb.ca
Website:	**www.mhhc.mb.ca**

Production Notes:
The Manitoba Habitat Heritage Corporation's Annual Report is printed on recycled paper with 30% post-consumer fiber. The printing inks are vegetable oil-based.

Please recycle where facilities exist.

The Manitoba Habitat Heritage Corporation

Financial Statements 2003/2004

Responsibility for Financial Reporting

The Manitoba Habitat Heritage Corporation

The management of the Manitoba Habitat Heritage Corporation is responsible for the integrity, objectivity and reliability of the financial statements, accompanying notes and other financial information in the annual report.

Management maintains internal control systems to ensure that transactions are accurately recorded in accordance with established policies and procedures. In management's opinion, the financial statements have been properly prepared and of necessity, include some amounts based upon management's best estimate and judgments up to May 7, 2004.

The responsibility of the Auditor General and staff is to express an independent opinion on whether the financial statements are fairly presented in accordance with Canadian generally accepted accounting principles. The auditors' report outlines the scope of the auditors' examination and provides the audit opinion.

Chief Executive Officer

Manager of Financial Services

May 7, 2004

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba,
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba, and
To the Board of Directors of the Manitoba Habitat Heritage Corporation

We have audited the statement of financial position of The Manitoba Habitat Heritage Corporation as at March 31, 2004 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
May 7, 2004

THE MANITOBA HABITAT HERITAGE CORPORATION

Statement of Financial Position
as at March 31, 2004
(with comparative figures for 2003)

	North American Waterfowl Management Plan	Manitoba Agro Woodlot Program	Riparian Stewardship Program	Capital Assets	Inter Plan/ Program Eliminations	2004	2003 (Note 6)
ASSETS							
Current Assets							
Cash	$22,931	$23,376	$71,871			$118,178	$331,541
Funds on deposit with Province of Manitoba		153,162	79,393			232,555	301,325
Accounts receivable							
Government of Canada	66,866		58,750			125,616	134,250
Province of Manitoba		5,578				5,578	5,427
Other	100,889	619	9,068			110,576	117,606
Due from North American Waterfowl Management Plan		50	463		$(513)		
Due from Manitoba Agro Woodlot Program	4,208				(4,208)		
Due from Riparian Stewardship Program	19,839				(19,839)		
Prepaid expenses	41,733	675	337			42,745	33,927
	256,466	183,460	219,882		(24,560)	635,248	924,076
Capital Assets (Note 3)				3,288,758		3,288,758	2,254,651
Trust Assets (Note 10)						795,131	676,568
	$256,466	$183,460	$219,882	$3,288,758	$(24,560)	$4,719,137	$3,855,295
LIABILITIES							
Current Liabilities							
Accounts payable and accrued liabilities	$95,815	$16,802	$4,707	$85,055		$202,379	$101,166
Due to North American Waterfowl Management Plan		4,208	19,839		$(24,047)		
Due to Manitoba Agro Woodlot Program	50				(50)		
Due to Riparian Stewardship Program	463				(463)		
Capital lease obligation				771		771	1,668
	96,328	21,010	24,546	85,826	(24,560)	203,150	102,834
Deferred contributions (Note 4)			75,902			75,902	160,061
Deferred contributions related to capital assets (Note 5)							162,222
Fund Balances							
Invested in Capital Assets				3,202,932		3,202,932	2,252,981
Unrestricted	160,138	162,450	119,434			442,022	499,627
Trust Liabilities (Note 10)						795,131	676,568
	$256,466	$183,460	$219,882	$3,288,758	$(24,560)	$4,719,137	$3,855,295
Commitments (Notes 7 and 8)							

On behalf of the Board:

Director David L. Watson

Director Jonathan Scarth

THE MANITOBA HABITAT HERITAGE CORPORATION

Statement of Operations and Changes in Fund Balances
for the year ended March 31, 2004
(with comparative figures for 2003)

	North American Waterfowl Management Plan	Manitoba Agro Woodlot Program	Riparian Stewardship Program	Capital Assets	Inter Plan/ Program Eliminations	2004	2003 (Note 6)
REVENUE							
Government of Canada contributions	$267,863	$14,000	$129,660			$411,523	$411,079
Province of Manitoba contributions	576,500	210,870	79,437			866,807	690,582
Contributed services, Province of Manitoba	66,460	79,550	14,448			160,458	153,223
Donations	445					445	737
Interest income	1,434	3,110	4,413			8,957	13,379
Other	124,733	11,160	66,120			202,013	154,931
Management fees (Note 11)	156,242				$(128,971)	27,271	24,651
	1,193,677	318,690	294,078		(128,971)	1,677,474	1,448,582
EXPENSES							
Amortization of capital assets				37,179		37,179	35,158
Interest on capital lease				229		229	375
Loss on disposal of capital assets				427		427	
Service delivery – Schedule 1	1,183,519					1,183,519	1,121,098
– Schedule 2		355,228			(14,981)	340,247	305,265
– Schedule 3			304,027		(113,990)	190,037	183,064
	1,183,519	355,228	304,027	37,835	(128,971)	1,751,638	1,644,960
Excess (deficiency) of revenue over expenses	10,158	(36,538)	(9,949)	(37,835)		(74,164)	(196,378)
Fund balances, beginning of year, as previously stated				2,252,983		2,252,983	1,701,959
Prior period adjustment (Note 6)	164,982	204,254	130,391			499,627	714,016
Fund balances, beginning of year, as restated	164,982	204,254	130,391	2,252,983		2,752,610	2,415,975
Investment in capital assets				810,508		810,508	401,613
Donated land				156,000		156,000	131,400
Interfund transfers	(15,002)	(5,266)	(1,008)	21,276			
Fund balances, end of year	$160,138	$162,450	$119,434	$3,202,932		$3,644,954	$2,752,610

THE MANITOBA HABITAT HERITAGE CORPORATION

Statement of Cash Flows
for the year ended March 31, 2004
(with comparative figures for 2003)

	North American Waterfowl Management Plan	Manitoba Agro Woodlot Program	Riparian Stewardship Program	Capital Assets	Inter Plan/ Program Eliminations	2004	2003 (Note 6)
OPERATING ACTIVITIES							
Excess (deficiency) of revenue over expenses	$10,158	$(36,538)	$(9,947)	$(37,835)		$(74,164)	$(196,378)
Amortization of capital assets				37,179		37,179	35,158
Net change in non-cash working capital	(67,283)	13,446	(46,060)	122,750		22,853	(170,810)
Loss on disposal of capital assets				427		427	
Decrease in deferred contributions related to operating activities			(84,159)			(84,159)	
Net cash used in operating activities	(57,125)	(23,092)	(140,168)	122,521		(97,864)	(332,030)
FINANCING AND INVESTING ACTIVITIES							
Purchase of capital assets				(20,151)		(20,151)	(52,419)
Received restricted grants for purchase of land rights				647,286		647,286	491,484
Acquisition of land rights with restricted grants				(895,563)		(895,563)	(401,613)
Accounts payable for acquisition of land rights				85,055		85,055	
Received donation of land and land rights				156,000		156,000	131,400
Acquisition of donated land and land rights				(156,000)		(156,000)	(131,400)
Capital lease obligation				(897)		(897)	(759)
Net cash used in financing and investing activities				(184,270)		(184,270)	36,703
Net decrease in cash	(57,125)	(23,092)	(140,168)	(61,749)		(282,134)	(295,327)
Cash and cash equivalents, beginning of year	95,058	204,896	292,440	40,473		632,867	928,195
Interfund transfers	(15,002)	(5,266)	(1,008)	21,276			
Cash and cash equivalents, end of year	$22,931	$176,538	$151,264			$350,733	$632,866
Cash and cash equivalents consist of							
Cash	$22,931	$23,376	$71,871			$118,178	$331,541
Funds on deposit with Province of Manitoba		153,162	79,393			232,555	301,325
	$22,931	$176,538	$151,264			$350,733	$632,866

THE MANITOBA HABITAT HERITAGE CORPORATION

Notes to Financial Statements
March 31, 2004

1. Nature of Organization

The Manitoba Habitat Heritage Corporation (MHHC) was established in 1986 as a Crown Corporation under *The Manitoba Habitat Heritage Act*. The objectives of the Corporation are the conservation, restoration and enhancement of Manitoba fish and wildlife habitat and the associated fish and wildlife populations. Donations to the Corporation are tax deductible by the donor pursuant to *The Income Tax Act*, as gifts to Her Majesty. The Corporation is involved in the following initiatives:

a) The North American Waterfowl Management Plan (NAWMP)

Under Order-in-Council 634/89, the Corporation is authorized to be the Provincial agency responsible for coordinating the delivery of the North American Waterfowl Management Plan in Manitoba.

b) The Manitoba Agro Woodlot Program (MAWP)

On May 7, 1992 the Corporation signed a memorandum of agreement with the Manitoba Department of Natural Resources to deliver the Manitoba Agro Woodlot Program in Southwestern Manitoba. A management fee is charged by the Corporation for services provided by NAWMP to this program.

c) The Riparian Stewardship Program (RSP)

In January 1994, the Board of Directors of the Corporation directed staff to develop a strategy to deal with protection, restoration and enhancement of riparian habitat in agro-Manitoba. In fiscal year 2002/03, the name of the program was changed from Green Banks to the Riparian Stewardship Program to describe more accurately the program's objectives. A management fee is charged by the Corporation for services provided by NAWMP to this program.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are:

a) Revenue Recognition

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Restricted contributions relating to land and land use rights, which are not amortized, are accounted for as increases in the Capital Assets Fund balance when the capital asset is purchased. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Management fees are recognized as revenue in the year the service is provided.

b) Capital Assets

The Capital Asset Fund reports the Corporation's capital assets and related amortization expense.

Purchased capital assets are recorded at cost and donated capital assets are recorded at fair value at the date the asset is donated.

Amortization of capital assets is recorded on a straight-line basis over the estimated useful lives of the capital assets at the rates indicated below.

Computer hardware	20%
Computer software	33%
Equipment	10%
Furniture and fixtures	10%

c) Contributed Services

Services are contributed by the Wildlife and Ecosystem Protection and Forestry Branches of Manitoba Conservation. Contributed services are recorded at cost, which is fair value.

3. Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2004	2003
Land and land use rights	$3,169,486		$3,169,486	$2,117,923
Computer hardware	205,239	$149,668	55,571	62,843
Computer software	42,920	30,549	12,371	14,080
Equipment	105,229	64,290	40,939	47,241
Furniture and fixtures	63,597	53,206	10,391	12,564
Total capital assets	$3,586,471	$297,713	$3,288,758	$2,254,651

Purchases of capital assets in the period are as follows:

	2004	2003
Land and land use rights	$1,051,563	$533,013
Computer hardware	13,122	25,060
Computer software	5,325	11,137
Equipment	825	10,858
Furniture and fixtures	878	5,364
	$1,071,713	$585,432

The sources of funding for land and land use rights are as follows:

	2004	2003
Environment Canada, Species at Risk - Habitat Stewardship Program (SARA)	$471,478	$236,838
Pothole Plus, Delta Waterfowl	424,085	164,775
Donations	156,000	131,400
	$1,051,563	$533,013

4. Deferred Contributions

Deferred contributions reported in the respective funds relate to restricted funding received in the current period that is related to expenses of future periods.

Changes in the deferred contributions balance reported in the respective funds are as follows:

	NAWMP	MAWP	RSP	Total
Balance, beginning of year			$160,061	$160,061
Less: revenue recognized in the year			(160,061)	(160,061)
Add: revenue received related to the following year			75,902	75,902
Balance, end of year			$75,902	$75,902

Riparian Stewardship Program

The balance of $75,902 is restricted to signed landowner agreements to cover fencing costs, staff time to complete the projects and program coordination costs.

5. Deferred Contributions Related to Capital Assets

Deferred contributions reported in the Capital Assets Fund represent restricted contributions received with which land and land use rights will be purchased. When the land and land use rights are purchased the related restricted contributions will be transferred from deferred contributions related to capital assets to the Capital Assets Fund balance.

The changes for the year in deferred contributions related to capital assets in the Capital Assets Fund are as follows:

Balance, beginning of year	$161,222
Contributions received	647,286
Amounts transferred to fund balance	(810,508)
Balance, end of year	

6. Restatement of Prior Periods

In the years prior to the 2003/04 fiscal year the Corporation accounted for all the contributions received as restricted contributions. Commencing April 1, 2003 the Corporation is distinguishing restricted contributions from unrestricted contributions and accounting for them as indicated in Note 2(a).

Years prior to 2003/04 fiscal year have been restated. The effects of the restatement on the fund balances at the beginning of the 2003/04 and 2002/03 fiscal years are presented in the statement of operations and changes in fund balances. The effects of the restatement on the operating results for the 2002/03 fiscal year are as follows:

	NAWMP	MAWP	RSP	Capital Assets	Total
Excess/(deficiency) of revenue over expenses, as previously stated	$447,727	$7,055		$(35,158)	$419,624
(Deficiency)/excess of revenue over expenses, as restated	$(162,595)	$16,800	$(15,050)	$(35,533)	$(196,378)

7. Operational Commitments

a) The Corporation leases land for wildlife habitat under NAWMP. Each lease is subject to the condition that sufficient funds are provided by the Province of Manitoba. The future minimum lease payments in the aggregate and for each of the three succeeding years are:

2005	9,419
2006	5,596
2007	1,267
Aggregate	$16,282

b) The Corporation leases space under existing leases for two NAWMP offices. The future minimum lease payments in the aggregate and for each of the two succeeding years are:

2005	31,449
2006	30,249
Aggregate	$61,698

c) The Corporation leases vehicles and office equipment under NAWMP. The future minimum lease payments in the aggregate and for each of the two succeeding years are:

2005	9,284
2006	1,908
Aggregate	$11,192

d) The Corporation leases computer equipment in the Winnipeg office. The future minimum lease payment for the final year is:

2005	375

e) At March 31, 2004 the Riparian Stewardship Program included several projects in progress. Remaining commitments under these signed agreements total approximately $112,500.

8. Capital Commitments

At March 31, 2004, the NAWMP had signed several commitments to purchase Conservation Agreements. These Conservation Agreements are to be paid out upon filing of the caveats associated with each Conservation Agreement in the 2005 fiscal year. These commitments totaled approximately $20,900.

9. Group RRSP Employee Benefits

Under the terms of the Corporation's RRSP program, employee contributions to RRSP's are matched by the Corporation on a current basis. As a result, the Corporation has no future pension benefit liability to employees.

10. Trust Assets and Liabilities

The Corporation holds assets in trust as follows:

	2004	2003
Cash and short term investments	$201,851	$83,288
Land	593,280	593,280
	$795,131	$676,568

Details relating to the parties involved and the assets held are included in notes (a) to (d) which follow.

a) The Critical Wildlife Habitat Program (CWHP)

The Corporation and the Wildlife and Ecosystem Protection Branch of Manitoba Conservation are partners in the CWHP.

The Corporation holds title, in trust, to a portfolio of land and provides banking and financial services for CWHP funds held in trust. A management fee is allowed, under the agreement, to be charged by the Corporation to the CWHP for these services. Disbursements, from the funds held in trust, are made at the direction of the Wildlife and Ecosystem Protection Branch.

Trust assets held by MHHC on behalf of this program include:

	2004	2003
Cash and short term investments	$104,010	$29,376
Land Portfolio	593,280	593,280
	$697,290	$622,656

10. Trust Assets and Liabilities (continued)

b) Manitoba Forestry/Wildlife Management Project (MFWMP)

The Corporation and the Wildlife and Ecosystem Protection Branch of Manitoba Conservation are partners in the MFWMP.

The Corporation provides banking and financial services for MFWMP funds held in trust. A management fee is allowed, under the agreement, to be charged by the Corporation to the MFWMP for these services. Disbursements, from the funds held in trust, are made at the direction of the Wildlife and Ecosystem Protection Branch.

Trust assets held by MHHC on behalf of this program include:

	2004	2003
Cash and short term investments	$11,728	$11,723

c) Prairie Habitat Joint Venture Advisory Board. (PHJV)

On May 12, 1990 Manitoba officially joined the PHJV Advisory Board. The PHJV Board's purpose is to oversee implementation of the NAWMP through a joint venture among participating agencies within the prairie provinces. PHJV agreed that the partner agencies would contribute to the costs with MHHC holding the funds in trust.

Trust assets held by MHHC on behalf of this program include:

	2004	2003
Cash and short term investments	$61,192	$42,189

d) Oak Hammock Marsh Wildlife Management Area (WMA)

On October 2, 2003 the Province of Manitoba and Ducks Unlimited Canada signed a three year infrastructure agreement. Both parties agreed to contribute to the costs of restorations to the Oak Hammock Marsh facility with MHHC holding the funds in trust for WMA. A management fee is allowed, under the agreement, to be charged by the Corporation to the WMA for these services.

Trust assets held by MHHC on behalf of this program include:

	2004	2003
Cash	$24,921	Nil

11. Management Fees

The Corporation charges for services provided by NAWMP to other programs as follows:

	2004	2003
MAWP	$14,981	$8,228
Riparian Stewardship Program	113,990	124,437
CWHP	27,271	24,651
	$156,242	$157,316

12. Economic Dependence

MHHC is economically dependent on the Province of Manitoba to provide the majority of its operational funding.

13. Disclosure Required by the Public Sector Compensation Disclosure Act

Remuneration paid to Board members during the year, in aggregate, totaled $5,200 (2003 - $5,900). Two contract employees were paid the following amounts in the fiscal year:

	2004	2003
T. Sopuck, Manager of Operations	$68,898	$62,026
K. Teneycke, Habitat Field Manager	60,339	54,360
A. Wren, Manager, Financial Services	N/A	52,822

THE MANITOBA HABITAT HERITAGE CORPORATION
NORTH AMERICAN WATERFOWL MANAGEMENT PLAN

Schedule 1

Schedule of Expenses for the year ended March 31, 2004
(with comparative figures for 2003)

	2004	2003
EXPENSES		
Habitat activities		
Salaries and benefits	$385,384	$411,264
Field office operations	68,006	62,939
Staff support	83,727	74,585
Nest baskets	35,654	22,921
Land leases	11,852	16,558
Habitat development	5,563	10,510
Property Taxes	16,565	16,022
	606,751	614,799
Evaluation	61,286	13,667
Communications		
Salaries and benefits	85,323	78,894
Program delivery	31,357	30,738
	116,680	109,632
Program coordination		
Salaries and benefits	224,045	204,047
Rent	46,861	44,736
Office	50,403	48,284
Other	38,269	36,877
Professional fees	16,410	22,230
Board meetings and remuneration	5,531	6,299
Travel	17,283	20,527
	398,802	383,000
TOTAL EXPENSES	$1,183,519	$1,121,098

THE MANITOBA HABITAT HERITAGE CORPORATION
MANITOBA AGRO WOODLOT PROGRAM

Schedule 2

Schedule of Expenses for the year ended March 31, 2004
(with comparative figures for 2003)

	2004	2003
EXPENSES		
Habitat activities		
Salaries and benefits	$216,334	$205,209
Incentives	4,632	7,112
Special Projects	465	
Travel	49,687	33,357
Office	15,014	18,861
Management fees (Note 11)	13,473	7,905
Rent	6,937	7,236
Other	15,681	14,304
Professional fees	1,766	2,594
Training workshops	21,413	8,931
Manitoba Model Forest Projects		1,446
Manitoba Forestry Association	2,505	
	347,907	306,955
Communications		
Management fees (Note 11)	1,508	323
Program delivery	5,813	6,215
	7,321	6,538
TOTAL EXPENSES	$355,228	$313,493

THE MANITOBA HABITAT HERITAGE CORPORATION
RIPARIAN STEWARDSHIP PROGRAM

Schedule 3

Schedule of Expenses for the year ended March 31, 2004
(with comparative figures for 2003)

	2004	2003
EXPENSES		
Riparian Coordination	$77,201	$68,965
Management fees (Note 11)	113,990	124,437
Managed grazing systems	104,926	97,180
Other	7,910	16,919
TOTAL EXPENSES	**$304,027**	**$307,501**